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Pride in our past  
as we move  
forward together

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**Hamilton Street Railway  
Canada Coach Lines**  
*1987 Annual Report*



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# Commissioner's Message

## Making strides in our renewal

# H

AMILTON Street Railway/  
Canada Coach Lines  
made great strides  
during 1987 in a  
revitalization process  
that will see the companies  
continue growing stronger.

The year was an important one of advancement toward better service for our customers, a cleaner environment for everyone in our community, and a better working environment for all of us at the HSR and CCL.

I am happy to say we have achieved many of the objectives of a 1983

Transportation Department review, which urged HSR/CCL to get its physical plant and rolling stock in order and to take a proactive approach to ridership.

We made great strides in these areas during 1987, purchasing new vehicles, completing major overhauls on many of our buses, improving and building new bus shelters, and improving transit services throughout the Region.



Heinz O. Schweinbenz

Plans for a new Wentworth Street Transportation Centre, to update and consolidate our operations, continued moving ahead after Regional Council decided to seek out new bids for construction.

Our fleet of trolley buses were also maintained, with plans of possible expansion.

I believe our trolleys, along with the expansion of our fleet of natural-gas buses, will lead the way toward a cleaner environment for all of us in Hamilton-Wentworth.

Internally, Project Transvision was the highlight of 1987, laying the groundwork for a better working atmosphere at HSR/CCL. This project is tackling a negative problem in a positive way by openly recognizing the value of each and every employee, seeking out their opinions on all matters that affect their working environment and by encouraging each to make a meaningful contribution.

Work on the Ambassador Program — an important new training project that aims to raise awareness among all employees about the need to satisfy our customers — began in 1987.

Cost recovery, and looking carefully at how we manage the companies, will be our challenge over the next two to three years.

In 1987, we continued to make improvements — HSR improved its revenue/cost ratio to 56.5 per cent, while CCL again cut its deficit, at \$200,000 in 1986, to about \$100,000.

All of us at HSR/CCL are working together toward a better future.

Heinz O. Schweinbenz  
Commissioner of Transportation



# HSR Overview

**T**

HE FINANCIAL challenge of improving transit services while keeping expenses within inflationary guidelines continued to be a challenge for the Hamilton Street Railway in 1987.

Total operating expenses for the year were \$42,308,000 with farebox revenues of \$23,195,000 and advertising income of \$622,000, resulting in a marginal improvement in revenue/cost ratio performance to 56.5 per cent from 56.3 per cent in 1986.

Cash fares, as in 1985 and 1986, were raised a nickle across the board with the

basic adult cash fare reaching \$1.00. Total service provided remained at about the same level as 1986.

However, scheduling and route efficiencies were used to permit service to grow with new residential developments within our service area.

There were 29,007,000 revenue passengers carried in 1987, down 255,000 from the previous year.

This, however, was offset in the mileage efficiencies where revenue passenger per mile remained at 3.2.

Total workforce at year end reflects the successful recruitment of employees to fill positions left open by retirements in the previous year and the shift of some contract staff to full-time status.

Our net fleet increased by 14 vehicles to 276, reflecting the retirement of seven vehicles and the acquisition of six articulated coaches and 15 new 47-passenger MCI Classics.

The new articulated coaches replaced inactive coaches and contributed to operating efficiencies with their high passenger capacity.

All of our diesel vehicles, including those due for retirement, will be pressed into service over the next two years during street construction on downtown routes normally covered by trolleys.



Our friendly  
drivers  
are our  
front-line  
ambassadors  
to the public



## The Regional Municipality of Hamilton-Wentworth

1987 Transportation Services Committee

**Robert Wade**

Chairman

**Pat Valeriano**

Vice-Chairman

### Members

**Dominic Agostino**

**David Christopherson**

**John Gallagher**

**Brian Hinkley**

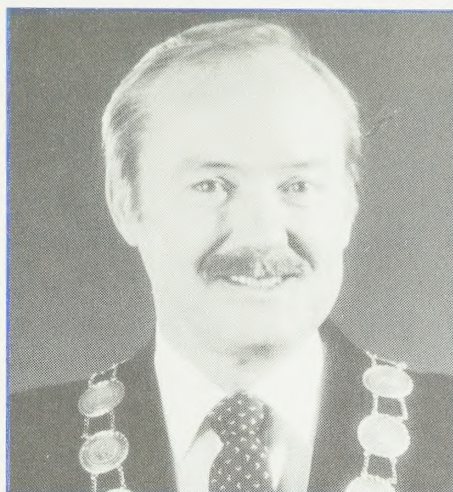
**Henry Merling**

**Tom Murray**

**Don Ross**

**William L. Sears**

(Member Ex-Officio)



**William L. Sears**

Hamilton-Wentworth Chairman



**Robert Wade**

Transportation Services Chairman

## Management

**Peter R. MacNeil**

Manager, Information Systems

**M.L.(Peggy) Mellor**

Manager, Human Resources

**Paul E. White**

Office Manager

**John D. Howcroft**

Manager, Purchasing

**Susan L. Harason**

Manager, Safety Service

**Vincent C. Mauceri**

Manager,  
Marketing and Customer Services

**Donald F. Jervis**

Manager, Materials

**Larry J. Howarth**

Maintenance Supt. - Plant and Projects

**T. Raj Sehgal**

Maintenance Supt. - Fleet

**Stanley Thompson**

Chief Inspector

**Gary J. Peters**

Chief Dispatcher

**Richard C. Chesal**

District Chief Inspector

## HSR/CCL Directors

(from left to right)

**Eric L. Pilon**

Director, Administration

**Roy W. Duncan**

Director, Maintenance

**Heinz O. Schweinbenz**

Commissioner of Transportation

**William H.H. Smith**

Director, Operations

**Joseph P. Fardell**

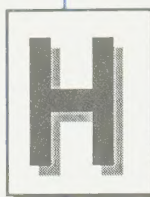
Manager  
Canada Coach Lines





# Horses bring public transit to the city

The HSR  
operated  
five horse-  
drawn street  
cars when it  
hit the  
streets in  
1874.



HAMILTONIANS of 1874 were lining up that summer to drop their nickles in the fare box and ride on the city's first horse-drawn street cars.

Such were the beginnings of the Hamilton Street Railway. Utilizing five horse-drawn street cars capable of carrying 14 to 16 passengers each, the HSR quickly established public transit as an essential ingredient in the growing industrial centre at the Head of the Lake.

As demand grew, the HSR grew, adding more street cars and more rails to satisfy the needs of a young Hamilton.

The first line ran from Stuart Street West, near the then Grand Trunk Railway passenger station, west to James Street then north to the city's commercial centre at Gore Park.

But that was soon extended west along King Street to the Crystal Palace grounds (now Victoria Park), and east, also along King Street to the then eastern city limits at Wentworth Street.

In a newspaper report of 1880, the now six-year-old transit operation was described as impressive. The newspaper took particular note of HSR headquarters at Bay and Stuart, where by then 50 horses were kept along with 20 street cars.

The horses worked four hours a day, logging 16 to 20 miles for about five years each before being retired from duty.

The same newspaper account stated: "The cars are mounted on spiral steel springs, inside of which are two rubber

standards, or buffers, one above and one below, so that when the car is heavily loaded, the spring and rubber act together, the one helping the other. This combination prevents any very heavy jars, and generally insures easy riding."

The drivers worked from eight- to 11-hour shifts daily, at a rate of \$1.25 per day.

### *End of an era*

By 1892, the HSR had 12 miles of line, 45 cars, nine sleighs and 160 horses — but the electrical age had arrived. In July of that year, 15 horses cars were converted to operate on electricity and within six months the horses were no longer needed.

At the turn of the century, the HSR was bought out by Hamilton Cataract Interests (later named the Dominion and Power and Transmission Co.) which provided a cheaper source of power.

### *Ownership changes*

In 1925, a new franchise agreement with the city allowed the HSR to purchase new cars and buses and it began to operate on Cannon Street.

HSR ownership transferred to Ontario Hydro in 1930. Hydro sold it to the owner of Canada Coach Lines in 1946 for \$1.4 million. CCL and HSR were both acquired by the City of Hamilton in 1960.

In 1977, the Regional Municipality of Hamilton-Wentworth acquired the HSR and CCL.

From humble horse-drawn beginnings, the HSR has grown to meet the needs of a growing city and region and continues to look ahead toward a new century and new challenges.





"These drivers must be courteous, sober and obliging in manner, and must look after the interests of the company, and have tact in managing the different kinds of human nature that are met on the cars so as to avoid trouble."

— Hamilton Spectator  
In an 1883 article on the fledgling HSR



Two HSR employees pose in front of horse-drawn street car, at top, while at right, electric transit replaced horses.



## Project attracts global attention

**D**

ELEGATIONS from transit companies around the world were visiting HSR headquarters during 1987 to view our fleet of six compressed natural gas buses — the largest fleet of its kind in the world.

The project to convert diesel buses to natural gas — which meets environmental standards proposed for the 1990s — was conceived and developed during 1986, but came to fruition in 1987 with the purchase of six engines from IVECO Corporation of Italy.

This project, funded by the provincial ministries of transport and energy as well as the federal Energy, Mines and Resources, continued into 1988 with plans to convert an additional six buses.

### Working toward a cleaner environment

HSR/CCL is conscious of environmental concerns in all of its activities. Some highlights from 1987:

*1. Natural-Gas Buses* — conversion of an additional bus to natural gas brings our fleet to six, with plans for an additional six in 1988.

*2. New buses* — the purchase of 15 diesel units that meet pollution standards proposed for 1989.

*3. Cleaner stops* — we adopt the use of non-asbestos brake lining.

*4. Keep the trolleys* — Regional Council resolved to maintain our fleet of clean-running trolley buses with possibility of expansion.

Our successful program has also spurred a Canadian manufacturer to begin producing buses that run on natural gas.

The HSR is to receive 15 of the first 50 such vehicles produced.

Natural gas is not only energy efficient — a 25 per cent savings on fuel cost has been realized — but environmentally safe and improves driving performance, particularly driving up the difficult Mountain accesses.

We also took our buses on the road to Ottawa, and the Indianapolis Raceway, demonstrating their versatility for city and highway.

### Expanding our fleet

Environmental concerns were at the top of our list when the HSR acquired 15 new MCI Classic buses for its fleet in 1987.

Specifications included DDEC II (Detroit Diesel Electronic Control, Second Generation) engines to increase fuel efficiency and reduce exhaust emissions. The new buses were ahead of their time, meeting federal pollution standards to be enacted in 1989.

In addition, six GMC Articulated buses were acquired from Ottawa-Carleton Regional Transit Commission and were refurbished and painted in our Vehicle Maintenance Department. The additions brought our fleet of articulated buses to 12, to better service busy routes.

### Maintaining the fleet

Maintaining a fleet of 276 buses, each clocking an average 32,000 miles per year, is a demanding task.

From the daily cleaning and refuelling of every bus to the major three-day annual checkup, maintaining a fleet of safe and efficient vehicles is essential to customer service, road safety, environmental sensitivity and fuel conservation.

The HSR employs about 85 tradesmen in its vehicle maintenance department, including 50 licensed mechanics, plus body repair experts, painters and electrical specialists.

Among the tasks completed during 1987, in addition to the routine of keeping our buses safe and efficient:

§ Third brake light installation was undertaken for our entire fleet.

§ Air assisted power steering was





Installed on six buses as part of an ongoing program to update buses purchased before 1985.

§ An electrical/electronic shop with a foreman was established to meet increasing demands for electronic repair.

### Technology that counts

FARE "FRED." AVL. ATIS. APC. All of these stood for one thing at the Hamilton Street Railway during 1987 — the application of new computer technology to improve efficiency, planning and service to our riders.

It was a year of introduction for three of these technologies and a year of improvement and expansion for the fourth.

All of them will help the HSR better understand the needs of its ridership and react with positive changes to better serve our riders.

#### FARE "FRED"

New fare boxes — affectionately known as FARE "FRED" (Fare Reading Device) — made their appearance on our fleet of more than 250 buses in March, 1987.

Maintenance crews worked around the clock removing the existing 40-year-old fare boxes and installing the new ones for their debut, all over one weekend.

FRED proved a friendly addition — emitting a beep when riders inserted the correct fare. When first introduced in March, FRED could accurately count cash and ticket passes. In September, HSR's new magnetically encoded Adult Monthly Bus Passes were added to his list of duties.

FRED's biggest job, aside from making life easier for HSR drivers and its riders, was to provide data each day on the riders on a given route.

At the end of each day, FRED provides the fares along with valuable information on

A overview of the maintenance area in our Mountain bus garage, where mechanics do everything from changing oil to rebuilding diesel engines.



# Computers provide tools for better operations and planning



**FARE 'FRED'**  
made his debut  
in March of 1987  
and has proved  
a most valuable  
addition to our  
passenger  
services.

the types of riders who rode the bus that day.

New bus tickets, printed in different sizes enabled FRED to distinguish between adults, students, children and seniors.

### **AVLC**

*(Automatic Vehicle  
Location and Control)*

The pilot phase of AVLC proved successful during 1987 and plans were already in place to have the system extended fleet wide.

This system, which provides two-way digital radio communication between each bus and a central computer room, was tried out on 30 buses and two routes, proving its value toward the stated objectives of improving safety and security for our drivers and passengers while providing invaluable information about the location at any given time of any bus in our fleet.

An important feature for our drivers and passengers is a silent alarm, which when activated by a driver sends a high-priority message to our traffic controllers. It also automatically broadcasts sounds from the bus to central control.

### **Bus Check**

*(Automatic Telephone  
Information Service)*

The wonders of digitized voice have enabled our computers to become a quick source of scheduling information for our customers.

Bus Check was in service on eight Mountain routes during 1987.

Using telephone numbers posted at each bus stop, customers can quickly find out when the next bus will arrive.

HSR had plans in 1987 to eventually marry the AVLC and Bus Check systems, so that AVLC could keep information up to date on a minute by minute basis.

The service is definitely appreciated — our computers handled an average 3,000 calls per day during 1987.

### **APC — Automatic Passenger Counter**

Installed on 25 of our buses, with a total 30 planned, automatic passenger counters enabled the HSR for the first time to count people getting on and off of our buses.

Taking the information gathered from APC, our planners can determine which stops on a given route are the heaviest loading points and which are the heaviest departure points. In addition, the APC system provides route-by-route information on schedule performance.

This information, when combined with data gathered by FARE "FRED", has already started to provide the clearest picture yet of who is riding our buses and where the heaviest demands are. This data will prove invaluable to planning routes and schedules.

Computer technology was definitely becoming a major HSR player in 1987.

### **Meeting the needs**

The HSR listens and responds to the needs of its ridership.

During 1987, various bus routes were added, while many others were expanded or improved.

Our Cadillac express route — The Beeline — which ran from McMaster University to





Eastgate Square — was extended to a newly built terminal at Fiesta Mall in Stoney Creek with new stops added at Nash Road, Ottawa Street and Queen Street.

We also added three additional trips to the afternoon rush-hour service. The Beeline, which offers speedy transportation across the city, continued to attract new riders to the HSR, according to our ridership surveys.

Other route improvements included: New service in Dundas, providing Pleasant Valley residents with direct service to heart of the town as well as service along Crelgton, Governors Road to Highland Secondary School; Garth route extended to St. Elizabeth Retirement Village, ensuring elderly residents easy access to the city; Our Stoney Creek Local route was extended beyond Worsley Street to a new loop at Titan Mall on Queenston Road.

### **Ticat service scores**

Another way we were able to serve our riders was by providing free transit service to all Hamilton Tiger-Cat home games. A ticket to

the game entitled anyone to a free ride two hours before or after a game. Ticats paid for the service.

About 1,000 passengers took advantage of the service each game. This service, unique in the Canadian transit industry, helps alleviate severe parking problems around Ivor Wynne Stadium while providing safe transit to those going to and from games.

### **Training plays key role**

Driver training is an important facet of operations at the HSR and CCL— both for our recruits and our existing drivers.

After all, they collectively log more than ten million miles annually, which demands the utmost in skills in various areas.

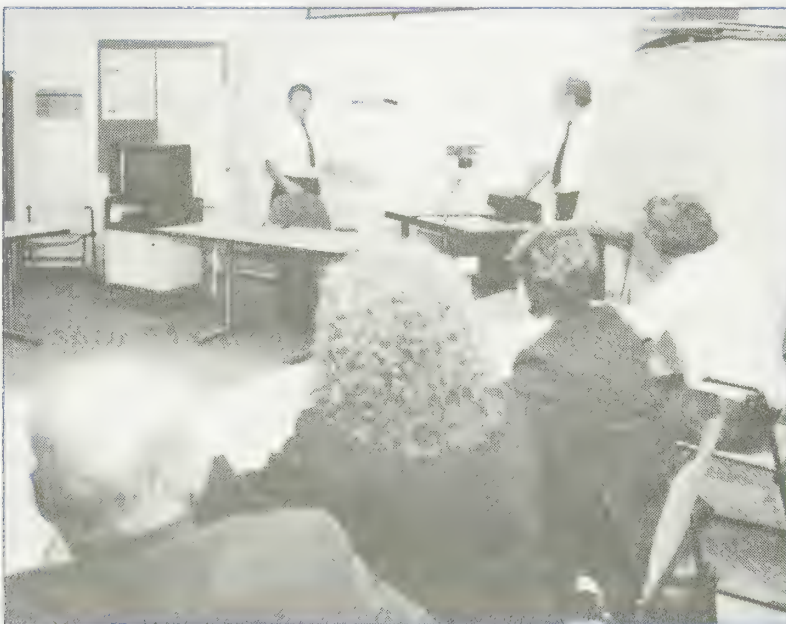
Our recruits, once they have cleared our screening process to ensure they have a satisfactory driving record, enter a 15-day program which culminates in their taking the provincial driving exam.

**HSR employees  
pictured  
outside our  
current  
Wentworth  
Street facility,  
which was  
expected to be  
replaced by  
1989.**



# Our training doesn't end when drivers hit road

Instructors Russ Gregor, left, and Fred Fama, take our recruits through the in-class paces at our driver training centre.



During that time, they receive in-class instruction as well as on-the-road training.

Driving a public transit bus places many demands on the driver — in addition to learning the skills of moving on city streets in such a large vehicle, he or she must learn defensive driving skills, how to operate the vehicle smoothly so passengers are not jostled about, and how to deal with passengers.

During 1987, more than 30 recruits successfully completed our training program, which employs three instructors full time.

The training does not end after our drivers hit the road — once every three years they must successfully complete a defensive driving program operated at our school.

About 110 of our drivers completed this program during 1987. Our school is also involved in many other training areas, and during 1987 helped in development of a new program, the Ambassador Project, a 15-week, 106-hour course with an emphasis on improved customer orientation for transit employees.

## Honoring our retirees

More than 370 turned out for the first annual HSR/CCL retirees' dinner and dance in November of 1987.

The event, which came out of the employee recognition component of Project Transvision (details in Our Tomorrows), is part of the HSR/CCL effort to recognize its employees.

Another highlight for our retirees was the Annual Retirees' Reunion Luncheon, held in May which drew 135 former employees. And we say thanks again to the following employees who retired from HSR/CCL during 1987:

Sellwan Burke, operator; John Carson, operator; William Chapman, operator; William Clinton, machinist; Melvin Connelly, operator; Spurgeon Davidson, operator; Florence Finkaryk, senior garage clerk; Richard Gallagher, operator; Alfred Grinbergs, operator; Johannes Haase, automotive mechanic; Lincoln Johnson, scheduler; Murray Kelley, operator; Zbigniew Koniecki, operator; Walter Kostyk, inspector/dispatcher; Stanley Land, operator; Gerald Pearcey, garage placer; Walter Perrin, operator; Herbert Pickett, operator; John Fox Smith, operator; Annabelle Stewart, secretary; Harvey Stewart, service line worker; Murray Tweedle, operator; Nelson Ziebarth, inspector/dispatcher; and Arthur Mooney, garage superintendent.

## Getting the facts out

A commitment to communication — with our customers, our employees, the media and the community — was ongoing in 1987.

Our service has some impact on virtually everyone in the community, and keeping everyone apprised of our operations has to be a priority.



## Customers

Customer communications is one of our busiest areas:

§ 450 service- and operator-related concerns requiring investigation were recorded, and appropriate follow-up was initiated as per our Customer Contact Policy.

§ More than 40 customer complaint and service request letters were investigated and followed up with a written reply.

§ Seven public information centres were held, including Gurnett Neighbourhood, Ancaster, Dundas, and the West Hamilton Mountain Transit Operational Reviews.

§ We distributed more than 60,000 schedules and responded to an additional 3,500 requests for schedules, route maps, and other information.

## Media

Maintaining a good working relationship with local media is vital to help us stay in touch with the community we serve.

During 1987, we refined our distribution network for corporate news items and materials; nine news releases were distributed; all media representatives were consulted on various HSR issues, such as the corporate identity survey.

## Employees

The highlight was a national transit award for our "Thanks for Making It Work" campaign regarding FARE FRED, an innovative program which recognized HSR employees for the successful implementation of new fare boxes into all of our buses.

## APPLAUSE

A sampling of the many appreciative letters we received about HSR people during 1987.

- "I would like to thank the driver of bus 7707 West Hamilton (**Operator John Davidson**). At the corner of Lower Horning and Whitney, he had the courtesy to help my grandmother, who is 72 years old, across the street."
- "I was on the bus that leaves Bond and King . . . After the driver (**Operator Frank DeJong**) picked up passengers at the stop opposite the CNIB, he noticed a blind lady standing on the boulevard. He got off the bus and offered her his arm and escorted her to the sidewalk in the plaza."
- "The St. Vincent de Paul Society wishes to extend to you and the bus drivers our most sincere thanks. We deeply appreciate the courtesy and kindness that you extended to our representative. Of course we always have believed the HSR employs the most caring, courteous and cheerful drivers to be found anywhere. Their efforts (**CCL operator Marg Bejnar**) helped ensure that this special day was a success."

In addition, we held our annual Rodeo, summer picnic and the first of what is to be an annual Retirees' dinner/dance.

Bus Beat, our employee publication, was published five times, including a special Christmas edition.

## Advertising

Among the highlights in this area:

§ FARE FRED marketing campaign, winner of a national transit internal marketing award.

§ September '87 Service Improvements campaign (won national transit award).



## Three-year Profile

A snapshot of HSR operations for the years  
ending December 31, 1985 -1987



**Service Area  
Population ('000)**

**1987**

394

**1986**

386

**1985**

387



**Revenue  
Passengers ('000)**

29,007

29,264

29,323



**Miles  
Operated ('000)**

9,023

9,075

9,042



**Revenue Passengers  
Per Capita**

73.6

75.8

75.8



**Revenue Passengers  
Per Mile**

3.2

3.2

3.2



**Revenue ('000)  
Transportation**

\$23,892

\$22,856

\$21,655

**Operating Subsidy**

\$18,416

\$17,709

\$17,028

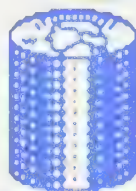


**Expenses ('000)**

\$42,308

\$40,565

\$38,683



**Per passenger  
Revenue**

\$ .824

\$ .781

\$ .738

**Operating Subsidy**

\$ .635

\$ .605

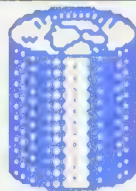
\$ .581

**Expenses**

\$ 1.459

\$ 1.386

\$ 1.319



**Per mile  
Revenue**

\$ 2.648

\$ 2.519

\$ 2.394

**Operating Subsidy**

\$ 2.041

\$ 1.951

\$ 1.883

**Expenses**

\$ 4.689

\$ 4.470

\$ 4.278



**Revenue / Cost Ratio**

56.5

56.3

56.0

**Number of employees**

798

755

743



**Rolling Stock  
(Active and inactive fleet)**

**Diesel Coaches**

208

195

200

**Trolleys**

50

56

56

**Articulated Coaches**

12

6

6

**Natural Gas Coaches**

6

5

0

**Adult Basic Cash Fare**

\$1.00

\$.95

\$.90



# Revenues & Expenses

Hamilton Street Railway statement for the years ending Dec. 31, 1986 - 1987

## REVENUE (In Thousands)

**1987**
**%**
**1986**
**%**

### FARE BOX


**54.8%**

Cash	9,532	22.5	7,980	19.7
Ticket	3,696	8.7	4,399	10.8
Passes	6,733	16.0	6,489	16.0
Over 70's Pass	3,234	7.6	3,371	8.3
<b>Total</b>	<b>23,195</b>	<b>54.8</b>	<b>22,239</b>	<b>54.8</b>


**1.5%**

### ADVERTISING

622

1.5

529

1.3


**.2%**

### OTHER REVENUE

75

.2

88

.2

### OPERATING

#### Subsidies & Grants


**43.5%**

City of Hamilton	8,881	21.0	8,580	21.2
Provincial	8,054	19.0	7,734	19.1
Other	1,481	3.5	1,395	3.4
<b>Total</b>	<b>18,416</b>	<b>43.5</b>	<b>17,709</b>	<b>43.7</b>

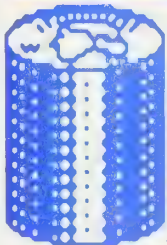
## TOTAL REVENUE

42,308

100

40,565

100



## EXPENSES BY DEPARTMENT

**15.9%**
**31.8%**
**49.1%**
**2.8%**
**.4%**

Administration

Maintenance

Operations

Marketing

Executive Services

### EXPENDITURES

(In Thousands)

**1987**
**%**
**1986**
**%**

Administration	6,706	15.9	6,126	15.1
Maintenance	13,475	31.8	12,842	31.7
Operations	20,784	49.1	20,398	50.3
Marketing	1,183	2.8	1,062	2.6
Executive Services	160	.4	137	.3

## TOTAL EXPENSES

42,308

100

40,565

100



# Balance Sheet

Hamilton Street Railway for the year  
ended December 31, 1987

## ASSETS

### CURRENT ASSETS

Cash	(307,590)
Employee Working Funds	19,750
Accounts Receivable	9,876,789
Inventory	820,574
Prepaid Expenses	585,943

<b>TOTAL CURRENT ASSETS</b>	<b>10,995,466</b>
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### NON-CURRENT ASSETS

Fixed assets	9,646,226
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<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,646,226</b>
---------------------------------	------------------

<b>TOTAL ASSETS</b>	<b>20,641,692</b>
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## LIABILITIES & CAPITAL

### CURRENT LIABILITIES

Current debt - (Hamilton-Wentworth Region)	875,164
Accounts Payable	7,500,670
Unredeemed ticket & pass reserve	177,119
Accrued Liabilities	3,258,232

<b>TOTAL CURRENT LIABILITIES</b>	<b>11,811,185</b>
----------------------------------	-------------------

### NON-CURRENT LIABILITIES

Debt - Ham.-Wentworth Region	8,771,062
------------------------------	-----------

<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>8,771,062</b>
--------------------------------------	------------------

### CAPITAL

Capital Stock	399,960
Surplus on Acquisition	(1,302,357)
Capital Reserves	961,842

<b>TOTAL CAPITAL</b>	<b>59,445</b>
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<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>20,641,692</b>
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## Notes to Financial Statements

### 1. Significant Accounting Policies

#### a) Inventory

Inventory is valued at the lower of average cost and replacement cost.

#### b) Recognition of Revenue

Ticket and passes revenues are recognized when the tickets and passes are honoured on the vehicles. This treatment gives rise to an estimated liability for tickets and passes which have been sold but which have not been redeemed or used at the end of the fiscal year.

#### c) Consolidation

The Hamilton Street Railway Company and its subsidiary companies are not consolidated herein, but are consolidated in the financial statements of the Regional Municipality of Hamilton-Wentworth.

### 2. Transit Employees Pension Plan

Approximately 900 HSR/CCL employees are members of this plan and will be future beneficiaries under the terms and conditions of this pension plan. As at December 31, 1986 the plan is estimated to be fully funded.

### 3. Related Party Transactions

The company shares facilities with its subsidiary, The Canada Coach Lines Limited, and costs are allocated based on usage.

### 4. Economic Dependence

The company operates as a department of the Regional Municipality of Hamilton-Wentworth which owns the corporation, and is accounted for by the Region in their audited financial statements.





THE HSR IS IN the insurance business too. Safety Service & Adjusters Limited (S.S.&A.), owned and operated by Hamilton Street Railway, is a licensed insurance adjuster in Ontario, handling claims for both the HSR and Canada Coach Lines Limited.

S.S.&A. is more than just an adjuster — as its name implies, it also acts as a safety watchdog and risk analyzer.

Working in co-operation with all departments within HSR and CCL, S.S.&A. investigates claims made against the Companies, determining how and why they occurred. If appropriate, steps are taken to prevent a recurrence.

Their efforts paid dividends in 1987. The number of claim reports received in 1987 dropped to 1,369 from 1,468 in 1986. Of those, only 556 of claims warranted action, compared to 614 the year before.

The largest sector of claims continued to be passenger injury claims, which accounted for about 30 per cent of the total.

Another highlight of 1987 was the appointment of a new manager, Susan Harason, B.A., A.I.I.C.. Susan joined the HSR with six years' experience at a large U.S. insurer.

At this time, Susan and two support staff handle the claims made against the HSR and CCL. In addition, when necessary, files are referred to outside independent adjusting agencies.

Safety Service and Adjusters looks forward to 1988 with new projects, including the revision of the claims computer system, further action on loss

control and a seminar for inspectors and supervisors on *How to Investigate Accidents*.

The year 1987 continued to be a challenging one for the insurance industry in Ontario as insurance premiums generally continued to increase.

The Report of Inquiry into Motor Vehicle Accident Compensation in Ontario, by the Honourable Mr. Justice C.A. Osborne, was scheduled to be completed and presented to the Attorney General and Minister of Financial Institutions by Nov. 1, 1987.

The basic mandate of the Osborne Inquiry was to consider and report on:

- 1/ The adequacy, time limits and fairness of compensation to accident victims under the present tort system.
- 2/ Implications of removing tort liability as a basis of compensation in automobile accidents and replacing it with a no-fault system.
- 3/ Private versus public delivery of a no-fault system of automobile insurance.

Although the report was not presented in 1987, the existence of the commission generated much controversy within the industry.

**S.S.& A.  
is our  
risk  
analyst  
and  
watchdog**



P

ROJECT TRANSVISION — a new direction for the Hamilton Street Railway and Canada Coach Lines — was conceived in 1986, progressed remarkably through 1987 and continued as a vision for the future.

This exciting employee project means a change in our corporate culture — HSR/CCL will become a better place to work for everyone — with an emphasis on improving communication between management and employees.

There have been, and will continue to be, significant technological advances within the transit industry. Project Transvision recognizes that we must not lose sight of the needs of our people during this period.

The primary objective of Project Transvision is to establish a formal system within the organization which effectively, fairly and consistently manages all aspects of performance, health and safety, and sustains employee contribution and enthusiasm.

The principles guiding our work in this area are simple: All employees will be treated equally with dignity and respect; management has a responsibility to manage performance and non-performance; employees will understand their rights and obligations and management's expectations of them through information sharing; employees should not suffer financial loss when temporarily unable to perform their regular job for health or other legitimate reasons. The focus is on creating, sustaining and

regaining contributing employees. Among the changes brought about by Project Transvision during 1987:

§ The First Annual Retirees' Dinner/Dance, a night of appreciation for the many years of service retiring employees had provided.

§ We began work on developing proper job descriptions for every one of our 900 HSR/CCL employees, with input from employees. This helps everyone understand more fully what is expected of them, and tells management what the employees expect of them.

§ Work began on developing an absenteeism management system.

Project Transvision will continue to be a challenge for all of us at HSR as we move forward together toward a better future.

### A new facility

In the summer of 1987, construction was expected to begin on a new transit facility to replace the existing Wentworth Street garage in downtown Hamilton. The tender prices came in significantly above estimate, so we went back to the drawing board for revisions. The revised design is expected to be re-tendered in the spring of 1988.

The new facility will have storage capacity for 160 buses and will house all HSR administration offices under one roof.

At 330 Wentworth Street, HSR's new head office is scheduled for completion by the fall of 1989.

In conjunction with HSR's Mountain facility, which was completed in 1984, the new garage will poise the HSR to most effectively meet future transit service requirements of the Region.

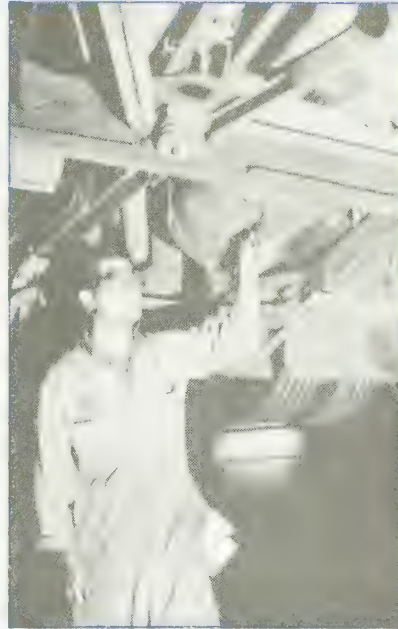
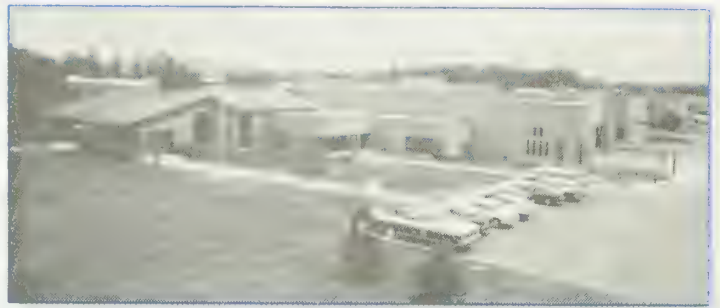
## Transvision a new direction for the future



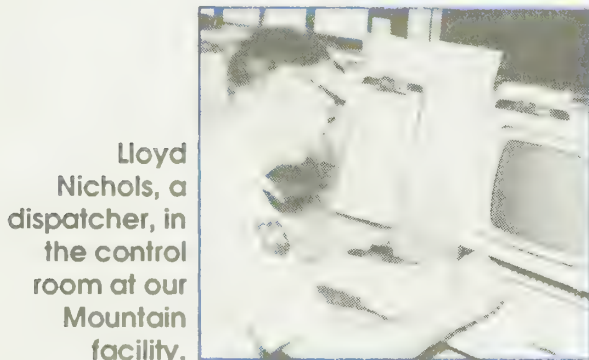
## HSR Snapshots



John Campbell at work in our upholstery shop.



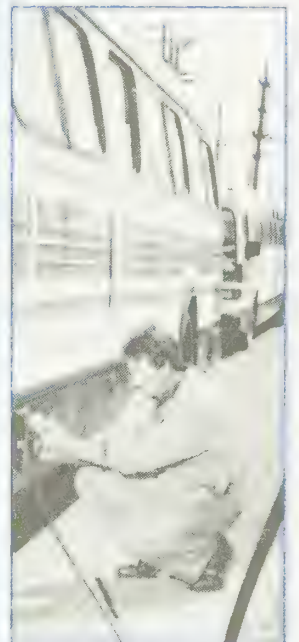
Our diesel fleet is maintained at our Mountain facility, above. Bill Brach, at left, is one of about 50 licenced mechanics employed by HSR to maintain our fleet.



Lloyd Nichols, a dispatcher, in the control room at our Mountain facility.



Our Mountain facility contains many state-of-the-art maintenance tools. Above, Bill Lupkowski tests a vehicle in the Dynamometer Room, which can replicate any road condition instantaneously.



The HSR operated six natural-gas buses in 1987, with plans to double that number in the future. The buses are fueled at our Wentworth Street facility.



# Canada Coach Lines

## CCL driving operating deficit down

**T**

HE MOVE TOWARD profitability was the focus of 1987 Canada Coach Lines operations.

With the Regional levy reduced to \$182,000, CCL has made significant improvements in its operating deficit which has encouraged council to support a business plan designed to eliminate any deficit funding requirements.

While total expenses for 1987 increased from \$6,546,000 to \$6,836,000, the Regional levy requirement dropped by \$42,000.



Our Fun Trek buses are part of the growth trend in the charter, tour and sightseeing market.

Regular route operations recovered 86.6 per cent of operating costs out of the farebox in 1987.

Although ridership on some corridors has eroded because of increased car ownership and low fuel prices, this cost-recovery factor is a significant improvement over past years and the 75 per cent target set by Council in 1985.

The true opportunity for growth is the charter, tour and sightseeing market. In 1987, revenues from these sources were \$390,000 higher than budget. The largest new business generator was in convention ground transportation support services.

Grayline tours in Niagara Falls also showed an improvement from 1986, while Fun Trek tours, Grayline Hamilton and other services, generally maintained the same level as 1986.

Major refurbishment and overhauls were completed on five coaches during 1987, extending their life.

During 1987, Joseph P. Fardell, former HSR office manager, was appointed manager of CCL, succeeding Paul N. Lavigne.

Canada Coach Lines Ltd. and Hamilton Street Railway were purchased by the City of Hamilton in 1960. Both were acquired by the Regional Municipality of Hamilton-Wentworth in 1977.

Originally operated as an intercity transit system, CCL today offers services ranging from package and custom tours to regular routes and bus parcel express.



# Revenues & Expenses

Canada Coach Lines statement for the years ending Dec. 31, 1986 - 1987

## REVENUE (In Thousands)

	1987	%	1986	%
Route Line Service	2,106	30.8	2,130	32.5
Charters	2,993	43.8	2,681	41.0
Tours & Sightseeing				
Fun Trek Tours	80	1.2	71	1.1
Grayline Hamilton/Burlington	46	.7	52	.8
Grayline Niagara Falls	508	7.4	292	4.5
	634	9.3	415	6.4
OTHER				
Commissions earned	127	1.9	121	1.8
Racetrack	151	2.2	146	2.2
Coach Rentals	76	1.1	50	.8
Bus Parcel Express	92	1.3	92	1.4
Transfers-Reserves	(11)	(.2)	203	3.1
Miscellaneous	168	2.5	149	2.3
	603	8.8	761	11.6
Grants				
Regional Levy	182		224	
Other	318		335	
	500	7.3	559	8.5
FAREBOX	92.7%			
GRANTS	7.3%			

## TOTAL REVENUE

6,836

100

6,546

100



## EXPENSES BY DEPARTMENT



	1987	%	1986	%
(In Thousands)				
Administration	1,084	15.9	1,107	16.9
Maintenance	1,664	24.3	1,579	24.1
Operations	2,401	35.1	2,437	37.2
Direct Services	1,162	17.0	967	14.8
Capital Acquisitions	525	7.7	456	7.0

## TOTAL EXPENSES

6,836

100

6,546

100



# Balance Sheet

Canada Coach Lines for the year  
ended December 31, 1987

## ASSETS

### CURRENT ASSETS

Cash		91,301
Employee Working Funds		15,470
Accounts Receivable	2,336,413	
Less: Allowance for Uncollectables	<u>28,054</u>	2,308,359
Inventory		124,993
Prepaid Expenses		96,191

<b>TOTAL CURRENT ASSETS</b>	<b>2,636,314</b>
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### OTHER

Mortgage Receivable	26,293
Rolling Stock	1,566,782
Sundry Deposits	3,025

<b>TOTAL OTHER</b>	<b>1,596,100</b>
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<b>TOTAL ASSETS</b>	<b>4,232,414</b>
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## LIABILITIES & CAPITAL

### CURRENT LIABILITIES

Current Debt (Hamilton-Wentworth Region)	316,178
Accounts Payable	1,510,679
Unredeemed Ticket Reserve	65,595
Accrued Liabilities	295,895
Employee Deductions - (Short-Term Disability)	(1,791)

<b>TOTAL CURRENT LIABILITIES</b>	<b>2,186,556</b>
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### LONG-TERM LIABILITIES

Debt — Region of Hamilton/Wentworth	1,250,604
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<b>TOTAL LONG-TERM LIABILITIES</b>	<b>1,250,604</b>
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### CAPITAL

Common Stock	10,000
Retained Earnings	785,254

<b>TOTAL CAPITAL</b>	<b>795,254</b>
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<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>4,232,414</b>
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## **THE HAMILTON STREET RAILWAY COMPANY**

**Owned and operated by the Regional Municipality of Hamilton-Wentworth**

### **HEAD OFFICES:**

18 Wentworth Street North  
Hamilton, Ontario L8L 5V1  
Canada